



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Set a Public Hearing for November 7, 2007, to consider and approve the reallocation of available Community Development Block Grant (CDBG) and HOME Program Income for an affordable housing project.

MEETING DATE: October 17, 2007

PREPARED BY: Community Development Department

RECOMMENDED ACTION: That the City Council set a public hearing for November 7th, 2007, to consider and approve the reallocation of available Community Development Block Grant (CDBG) and HOME Program Income for an affordable housing project.

BACKGROUND INFORMATION: The City is pursuing an affordable housing project on land currently owned by Union Pacific Railroad (UP). In the course of developing a Request For Proposal (RFP) for that project, the City has pledged \$1.2 million toward the acquisition of the land for this project.

In 2006, the City Council authorized a CDBG allocation in the amount of \$330,000 from that year's funding. In addition to that, the Housing Assistance Loan Programs that we have been funding each year with CDBG and HOME funding, have provided approximately \$1,477,000 in program income through the repayment of down-payment assistance and housing rehabilitation loans. That program income is automatically reprogrammed back into the Housing Assistance Program, to continue to assist first-time homebuyers and/or low income residents.

If an affordable housing project was feasible for the intended railroad property site, our intent has been to reallocate \$870,000 of that program income, to combine with the 2006 allocation of \$330,000, to meet the \$1.2 million pledged to the affordable housing project.

As the City Council has just completed the process of selecting a developer to work with on this project, and as proposed in a previous action to initiate negotiations with UP, it is also recommended that the funds be set aside.

FISCAL IMPACT: This reallocation will reduce the funding available within the existing Housing Assistance Programs but not deplete it. There is sufficient balance left within that program to fund several loan applications that are currently being processed, as still have funding available for one or two more applications this year.

APPROVED: _____
Blair King, City Manager

FUNDING AVAILABLE: Federal Community Development Block Grant and HOME Program Funds

Kirk Evans, Budget Manager

Randy Hatch
Community Development Director

Attachments

RH/jw